

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

September 21, 2017

St. Ignace Public Library, St. Ignace, Michigan

MEETING MINUTES

Members Present: Todd A. Wyett, Chair
Michael D. Hayes, Commissioner
George K. Heartwell, Commissioner
Charles F. Moser, Commissioner

Members Absent: Angelynn A. Afendoulis, Vice Chair
Ron J. Boji, Commissioner

Also Present: Kirk Steudle, Director, Michigan Department of Transportation (MDOT)
David Brickey, Assistant Attorney General, Transportation Division
Phil Browne, Commission Advisor
Myron Frierson, Director, MDOT Bureau of Finance and Administration
Brad Wieferich, Director, MDOT Bureau of Development
Jason Gutting, Engineer, MDOT Construction Field Services Division
Jack Cotter, Commission Auditor, Office of Commission Audits
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits
Aaron Johnson, Region Engineer, MDOT Superior Region
Michele Fedorowicz, MDOT Bureau of Transportation Planning
Elisha DeFrain, MDOT Bureau of Transportation Planning
Bradley Sharlow, MDOT Bureau of Transportation Planning
Rob Balmes, MDOT Bureau of Transportation Planning
About 10 to 15 people were in the audience; a sign-in list is attached to the official minutes.

I. WELCOME

Chairman Wyett called the meeting to order at 10:40 a.m.

- ***Welcome to St. Ignace Public Library – Skip Schmidt, Director***

Mr. Schmidt was not available.

- ***Michigan Department of Transportation Director's Report – Kirk Steudle, Director***

Director Steudle welcomed everyone and mentioned the latest road death statistics, 706 traffic deaths this year; this report was up 16 from last year September 2016. Director Steudle explained that the death rate on roads is increasing, some of which can be attributed to economic activity. There are no statistic for distracted driving or how many car fatalities have been reduced due to signs and warnings posted to drivers. He spoke about the Mitchel Kiefer Foundation, whose sole purpose is to end distracted driving, who will be sharing in the cost for placing cable barriers in a selected location. This may be the first time a private entity has paid for a safety feature.

Director Steudle updated the commissioners on the external awards MDOT and employees have received in 2017. Chair Wyett suggested the commission adopt a motion recognizing the broad variety of honors from state and national organizations. The motion was quickly moved and adopted unanimously. Chair Wyett praised the Director for his leadership.

“I am extremely proud and honored to work with these tremendous public servants, Director Steudle said. “Thank you. It is good to see them recognized like this.”

- ***Superior Region Update – Aaron Johnson, Region Engineer***

Mr. Johnson spoke about the biggest project currently happening in the UP is a \$300 million dollar investment by Duke Lifepoint Hospitals in Marquette. Building a trauma center that will serve the UP and Wisconsin. They are going to have about 2,300 trips a day to this hospital on a limited access highway. The project included breaking of the limited access, reconstruct the road, add three roundabouts, \$12 million dollars in transfer tape, \$8 million dollars in investment with zero cost to MDOT’s budget. This is a large permit job being funded by the city of Marquette.

In Escanaba at US-2, there is a bridge, adjacent to a dam, adjacent to a railroad overpass. This 4 lane road needs to be changed to a 5-lane road, with 10 foot shoulders and a separate pathway, plus 3000 feet of railroad tracks, redoing a railroad bridge, and providing a separate tunnel under the bridge. Their goal is to get rid of the safety concerns that have plagued this checkpoint.

Mr. Johnson mentioned how M-94 was destroyed last year in October during a bad storm. Quickly they worked to get the road re-opened, which took three months to complete. On the 300-year anniversary of Sault Saint Marie, they will be adding some roundabouts to the area. The Superior Region will also adding about 7 roundabouts to the Marquette area in the next 5 years. The roundabouts offer safe movement of high volume vehicles. The only issue is driver error but moving forward with autonomous cars, hopefully, those errors would be gone.

II. **COMMISSION BUSINESS**

- ***Minutes of July 20, 2017, Commission Meeting***

Chair Wyett requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Proposed 2018 Public Meeting Schedule – Phil Browne***

Chair Wyett requested a motion regarding approval of proposed 2018 public meeting schedule. Commissioner Heartwell made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Transportation Asset Management Council (TAMC) Nominations – Phil Browne***

There were three nominations for reappointments to the Asset Management Council for Mr. Bill McEntee, Mr. Jonathon Start, and Ms. Jennifer Tubbs for a new term of three years.

Chair Wyett requested a motion regarding approval of TAMC nominations. Commissioner Heartwell made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Fiscal Year 2018 TAMC Council Budget – Phil Browne and Rob Balmes***

Fiscal Year 2018 TAMC budget has an increase of \$250,000 over last year's budget. The legislature appropriated the extra funds. Commissioner Heartwell did ask if this new budget was created using a formula. Mr. Balmes stated that it was not formula based, instead it is based on need of the department. Commissioner Heartwell then asked about the \$34,000 for training. He inquired if TAMC is helping local agencies and governments in developing asset management plans. Mr. Balmes stated that there will be two pilot workshops this fall. The hope is to help develop asset management plans at the lower level. The new funds allocated to TAMC budget will help in the development of these plans to assist the smaller governments and municipalities.

Chair Wyett requested a motion regarding approval of 2018 TAMC Budget. Commissioner Heartwell made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter noted that the seasonal work mentioned in the prior STC meeting had come to an end. That seasonal work, comprising efforts by OCA and certain MDOT employees, has benefitted from, and continues to benefit from, an informal survey of participants for suggested improvements. He's recently submitted the resultant ideas to the Bureau of Finance and Administration.

Office of Commission Audits has proactively analyzed, for MDOT and itself, efficiency aspects of certain work products. The analyses show whether MDOT's efforts and OCA's efforts overlap and, consequently, would benefit from efficiency-based revisions to reduce eliminate redundancy. Also, OCA continues to perform reviews of vendors to help ensure that the vendors follow selected financial aspects of their contracts with MDOT. In addition, Mr. Cotter intends to continue his efforts to continuously enhance MDOT's communications with applicable external audit organizations. **No motion required.**

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Myron Frierson***

Mr. Frierson presented information on 42 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson***

Mr. Frierson presented information about Letting Statistics and Exhibit A-1. Projections for fiscal year 2017 are for 282 state jobs and a total construction cost estimate of \$884.1 million. At this point in the year, MDOT has let 96.8 percent of jobs anticipated and 97.1 percent of cost estimates. The October 6, 2017, Bid Letting is currently advertising 15 State trunkline projects with total engineer estimates of \$22.62 million. Of the State trunkline projects advertised, 6 include warranties with an estimated total of \$13.8 million. In addition to the State projects advertised for this letting, there are 10 Local area projects with total estimates of \$13.94 million scheduled to be let. Pending any questions, Mr. Frierson asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Supplemental Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson***

Mr. Frierson presented information about Supplemental Exhibit A-1, which lists 3 projects. Pending any questions, Mr. Frierson asked for approval of Supplemental Exhibit A-1.

Chair Wyett requested a motion regarding approval of Supplemental Exhibit A-1. Commissioner Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Brad Wieferich***

Mr. Wieferich provided information on 1 project that was over the engineer's estimate. A justification memo was provided also for the 1 project where the low bid exceeded the engineer's estimate by more than ten percent; the Office of Commission Audits has reviewed. Pending any questions, Mr. Wieferich asked for approval of Exhibit A-2.

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for July and August
 - 38 projects totaling approximately \$68 million were finalized.
 - 4 projects were more than 10 percent over the original contract amount
 - 17 projects came in under original contract amount

- July and August final contract costs were respectively 6.59 and 2.15 over the original contract amount.
- Fiscal year to date is averaging 0.97 percent over original contract amount.
- Local Agency Projects for July and August
 - 69 projects totaling approximately \$58 million were finalized.
 - 3 projects were more than 10 percent over the original contract amount
 - 42 projects came in under original contract amount

Chairman Wyett complimented Jason and Construction Field Services Division on their low percentages which he said is hard to obtain even in the private market. **No motion required.**

• ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

Mr. Cotter stated that since March 2015, there was nothing to report.

Chair Wyett requested motion regarding acceptance of Exhibit C. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

IV. **INFORMATIONAL REPORTS**

- ***Director's Agenda, August 24, 2017 – Myron Frierson***
- ***State Administrative Board Agenda, August 15, 2017 – Myron Frierson***

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contacts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PRESENTATIONS**

- ***FINAL 2018-2022 Five-Year Transportation Program Update – Michele Fedorowicz (motion required)***

Ms. Fedorowicz presented the updated 2018-2022 Five Year Transportation Program: www.michigan.gov/documents/mdot/MDOT_5_Year_Plan_WEB_2_579719_7.pdf. The program represents \$11 billion in multi-modal transportation investments over the next five years.

Chair Wyett requested motion regarding approval of the FINAL 2018-2022 Five-Year Plan. Commissioner Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Draft State Freight Plan – Elisha DeFrain***

Ms. DeFrain presented the Final Draft State Freight Plan. She spoke on Freight Transportation and Michigan Economy, Freight Policies, Strategies and Institutions, Freight Partners and Stakeholders, the System Condition and Performance, Trends, Needs, Issues, The State's Decision Making Process Critical Urban and Rural Freight Corridors, Eligible Critical Urban and Rural Freight Corridors, Freight Investment Plan (FIP), and Outreach.

- ***2045 State Long-Range Transportation Plan (SLRTP) Development – Bradley Sharlow, Project Manager***

Mr. Sharlow discussed the New State Long Range Transportation Plan that they are working on for next year. A Long-Range plan was adopted in 2016, however; they decided that this time it would be a complete rewrite of the plan, which the last time that was accomplished was in 2007. There have been new initiatives, new federal requirements that take effect spring 2018 and a new administration coming in 2019. They are looking at 2020 for the adoption of the new plan. They are considering hiring a consultant to develop this plan with a two-phase contract starting April 2018 through spring 2019. They are calling this Research and Process Guidelines. This first phase focuses on gathering research from past studies, but also includes new studies, such as, a public participation plan; looking for new ways to engage the public.

Mr. Sharlow stated that phase two will begin in 2019, with vision workshops on how they'd like the department, as well as, the State of Michigan to look. They will also be integrating the new administrations vision and ideas into phase two.

Also, Mr. Sharlow brought up that a vast amount of knowledgeable people with a lot of experience will be retiring in the next few years. They are hoping in Phase One to have interviews, collect data, and generally document the knowledge of these professionals for Phase Two.

Action items include Finalizing the IFP this fall 2017 and have it out in early December. They are looking to come back to the group about 4 more times in the following years to develop the plan. Once they have a final contract in place they would like to get the groups comments.

VI. PUBLIC COMMENTS

County Road Association of Michigan – Denise Donohue, Director

Ms. Donohue introduced herself and stated this was the first STC meeting she has attended during her 4 years in her position. She thanked Director Steudle and all of MDOT, stating they have a good relationship and do great work together.

Ms. Donohue stated the County Road Association of Michigan is currently moving in the direction to standardize fees and the permits themselves.

VII. **ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 12:11 p.m.

VIII. **NEXT MEETING**

The next full meeting will be held Thursday, January 25, 2018, in Lansing.

Phil Browne
Commission Advisor